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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84180-1203

801-538-5340

December 28, 1988

Mr. Kelly R. Park
Elemite Minerals Corporation
8790 Blue Jay Lane
Salt Lake City, Utah 84121

Dear Mr. Park:

Re: Small Mining Operation, Painted Rocks Mining - State Lease No.
40880, Elemite Minerals Corporation, S/023/014, Juab County, Utah
009

On December 27, 1988, the Division received your Declaration of Exemption (DOE) MR-4 application form for the above referenced project. We can no longer accept applications for DOE's due to a statutory change to the Mined Land Reclamation Act which occurred during the 1986 general legislative session. We are, therefore, returning your DOE application.

The amended Act eliminates the two acre/500 ton exemption and establishes a "small mining operation" category in its place. Small mining operations are defined as "mining operations which disturb or will disturb less than five on-site (surface) acres at any time during the life of the operations."

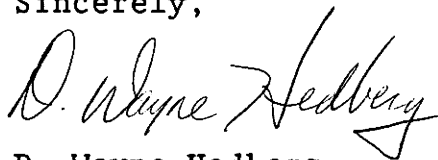
The Division has drafted new minerals regulations to implement this statutory change and other more recent legislative amendments to the Act. We now have a new set of Rules which were approved by the Board of Oil, Gas and Mining on December 1, 1988. I have enclosed a copy of an application form for filing a Notice of Intention to Commence Small Mining Operations (Form MR-SMO).

The Division is currently awaiting the final printing of the approved rules and will forward copies to all operators when they are available. A draft copy of the rules pertaining to "small mining operations" is attached for your reference.

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Mr. Kelly R. Park
Elemite Minerals Corp.
S/023/014
December 28, 1988

Please complete the attached form for your proposed operation and return it to us at your earliest convenience. Should you have questions or require additional information, please contact me directly. In reply, please reference the assigned project file number S/023/014.

Sincerely,

A handwritten signature in cursive script that reads "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the typed name.

D. Wayne Hedberg
Senior Reclamation Specialist

jb
Attachments
cc: Jerry Mansfield, State Lands
L. Braxton
MN3/62-63